

CASE STUDY

MEDICAL DEVICES SECURELY PACKAGED

Medical Device Manufacturer Reduces Damage Through Packaging Redesign and Improves Cash Flow with Inventory Management

A GLOBAL MANUFACTURER AND DISTRIBUTOR OF MEDICAL DEVICES AND SERVICES TO HOSPITALS, PHYSICIANS, SPORTING GOODS AND RETAILS STORES WAS OVERWHELMED WITH THE 40% RETURN RATE AND EXCESS PACKAGING TAKING UP CRITICAL WAREHOUSE SPACE. THIS WAS VERY COSTLY AND INEFFICIENT. THE CLIENT HAD AN URGENCY TO ADDRESS THE ISSUE BEHIND THE RETURNS, WHICH WAS CAUSING CUSTOMER SATISFACTION ISSUES.

Victory Packaging was introduced to the company through a referral that had success with Victory at their former company. After an initial visit to one of the client's distribution locations, it was clear that they needed help with inventory management and freight damage. The facility had truckloads of corrugated on the floor and rack space was being used to hold excess inventory. Victory immediately engaged its Engineering and Design team to do an audit and dimensional (DIM) weight analysis on their top 10 SKUs. From the audit and DIM analysis, it was clear that a stronger board grade would be necessary to protect the product and decrease freight damage.

Once the stronger board grade was implemented on the packaging, returns decreased from 40% to 3%. From the DIM analysis, Victory's Engineering and Design team also decreased the sizes of SKUs to reduce shipping costs for the client. Victory also implemented a Vendor Managed Inventory (VMI) system for the client to improve cash flow and eliminate excess packaging in the warehouse. With the newly engineered packaging and inventory management, the client has saved over \$800,000. Victory Packaging is now working to improve all existing packaging materials.



CHALLENGE

Eliminate returns due to poor packaging and utilize better inventory management for improved cash flow.

DIFFICULTIES

Finding durable packaging materials that were cost effective, yet sturdy enough to protect the products being packaged.

SOLUTION

A redesigned corrugated packaging and inventory management system that saved the client upwards of \$800,000 and improved customer unboxing experience.